



General Assembly

January Session, 2005

Bill No. 1056

LCO No. 3348

*03348 _____ *

Referred to Committee on Public Health

Introduced by:

SEN. DELUCA, 32nd Dist.

REP. WARD, 86th Dist.

***AN ACT PROVIDING FOR ADDITIONAL UNITS FOR THE
SUPPORTIVE HOUSING INITIATIVE AND FOR FINANCING OF THE
INITIATIVE BY THE CONNECTICUT HOUSING FINANCE AUTHORITY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17a-485c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2005*):

3 (a) The Commissioner of Mental Health and Addiction Services, in
4 collaboration with the Commissioners of Social Services, Children and
5 Families and Economic and Community Development and the
6 Connecticut Housing Finance Authority, shall establish a Supportive
7 Housing [Pilots] Initiative to provide additional units of affordable
8 housing and support services to eligible persons. The Supportive
9 Housing Initiative shall be implemented in two phases with the first
10 phase to be known as the Supportive Housing Pilots Initiative and the
11 second phase to be known as the Next Steps Initiative.

12 (b) The Supportive Housing Pilots Initiative shall provide up to six

13 hundred fifty additional units of affordable housing and support
14 services to eligible households, as defined in section 17a-484a, and to
15 persons with serious mental health needs who are community-
16 supervised offenders supervised by the executive or judicial branch.
17 Such housing shall be permanent supportive housing or transitional
18 living programs, and the permanent supportive housing may include
19 both individuals and families with special needs and individuals and
20 families without such needs.

21 [(b)] (c) [The Supportive Housing Pilots Initiative shall provide up
22 to six hundred fifty dwelling units.] Not later than January 1, 2002, the
23 Secretary of the Office of Policy and Management and the
24 Commissioner of Mental Health and Addiction Services shall enter
25 into a memorandum of understanding with the Departments of Social
26 Services and Economic and Community Development and the
27 Connecticut Housing Finance Authority. The memorandum of
28 understanding shall provide that: (1) A collaborative plan shall be
29 submitted with specific timetables to create up to six hundred fifty
30 dwelling units of supportive housing, which may include the
31 construction of up to three hundred new units of supportive housing;
32 (2) the Department of Social Services may provide project-based rental
33 subsidy certificates; (3) the Connecticut Housing Finance Authority
34 and the Department of Economic and Community Development shall
35 provide grants, mortgage loans and tax credits that offer a viable
36 financing package, including capitalized operating reserves, for the
37 construction of up to three hundred new units of supportive housing;
38 (4) the Department of Mental Health and Addiction Services shall
39 provide annual grants to the projects for supportive services during
40 the term of any mortgage loan; (5) there shall be a plan for private and
41 federal predevelopment financing and financing from nonstate sources
42 for grants and loans from private investment through federal and state
43 tax credit programs and federal project-based rental subsidies; and (6)
44 not later than July 1, 2002, the Connecticut Housing Finance Authority
45 shall issue a request for proposals by persons or entities interested in
46 participating in such initiative with priority given to applicants that

47 include organizations deemed qualified to provide services by the
48 Department of Mental Health and Addiction Services pursuant to a
49 request for qualifications. The Connecticut Housing Finance Authority
50 shall review and underwrite projects developed under the Supportive
51 Housing Pilots Initiative.

52 (d) The Next Steps Initiative shall provide up to five hundred
53 additional units of affordable housing and support services to: (1)
54 Eligible households, as defined in section 17a-484a; (2) families who
55 are eligible for assistance under the federal temporary assistance for
56 needy families program and whose participation in the Next Steps
57 Initiative would not constitute assistance under federal temporary
58 assistance for needy families program regulations; (3) adults who are
59 eighteen to twenty-three years of age, inclusive, and who are homeless,
60 or at risk for becoming homeless because they are transitioning from
61 foster care or other residential programs; and (4) persons with serious
62 mental health needs who are community-supervised offenders
63 supervised by the executive or judicial branch. Such housing shall be
64 permanent supportive housing or transitional living programs, and the
65 permanent supportive housing may include both individuals and
66 families with special needs and individuals and families without such
67 needs.

68 (e) Not later than January 1, 2006, the Secretary of the Office of
69 Policy and Management and the Commissioner of Mental Health and
70 Addiction Services shall enter into a memorandum of understanding
71 with the Departments of Social Services, Children and Families and
72 Economic and Community Development and the Connecticut Housing
73 Finance Authority. The memorandum of understanding shall provide
74 that: (1) A collaborative plan shall be submitted with specific
75 timetables to create up to five hundred dwelling units of supportive
76 housing under the Next Steps Initiative; (2) the Department of Social
77 Services may provide subsidies, including, but not limited to, project-
78 based rental subsidy certificates during the term of any mortgage loan;
79 (3) the Connecticut Housing Finance Authority and the Department of

80 Economic and Community Development shall provide grants,
 81 mortgage loans and tax credits that offer a viable financing package,
 82 including capitalized operating reserves; (4) after January 1, 2006, the
 83 State Treasurer and the Secretary of the Office of Policy and
 84 Management may enter into a debt service agreement to provide
 85 funding for debt service costs for Section 501 (c)(3) of the Internal
 86 Revenue Code bonds issued by the Connecticut Housing Finance
 87 Authority; (5) the Department of Mental Health and Addiction
 88 Services shall provide annual grants to the projects for supportive
 89 services during the term of any mortgage loan; and (6) there shall be a
 90 plan for private and federal predevelopment financing and financing
 91 from nonstate sources for grants and loans from private investment
 92 through federal and state tax credit programs and federal project-
 93 based rental subsidies. Not later than January 1, 2006, the Connecticut
 94 Housing Finance Authority shall issue a request for proposals by
 95 persons or entities interested in participating in such initiative with
 96 priority given to applicants that include organizations deemed
 97 qualified to provide services by the Departments of Mental Health and
 98 Addiction Services, Social Services and Children and Families
 99 pursuant to a request for qualifications. The Connecticut Housing
 100 Finance Authority shall review and underwrite projects developed
 101 under the Supportive Housing Initiative.

102 [(c)] (f) Not later than January 1, [2004] 2006, the Commissioners of
 103 Mental Health and Addiction Services, Children and Families and
 104 Economic and Community Development and the Connecticut Housing
 105 Finance Authority shall submit an interim status report relative to the
 106 Supportive Housing [Pilots] Initiative established under this section to
 107 the joint standing committees of the General Assembly having
 108 cognizance of matters relating to public health, human services,
 109 finance, revenue and bonding and appropriations and the budgets of
 110 state agencies. Not later than January 1, [2006] 2007, the
 111 Commissioners of Mental Health and Addiction Services and
 112 Economic and Community Development and the Connecticut Housing
 113 Finance Authority shall submit a final report to said committees with

114 respect to the Supportive Housing [Pilots] Initiative and the report
115 shall include, but not be limited to, information indicating (1) the
116 number and location of the units of supportive housing created, (2) the
117 number of individuals served, (3) the number and type of services
118 offered, and (4) the estimated amount of cost avoidance achieved as a
119 direct result of such initiative.

120 Sec. 2. (NEW) (*Effective July 1, 2005*) (a) For purposes of this section
121 "state assistance" means a payment by the state of actual debt service,
122 comprised on principal, interest and reasonable operating reserves.

123 (b) The state, acting by and through the Secretary of the Office of
124 Policy and Management and State Treasurer, may enter into a contract
125 or contracts with the Connecticut Housing Finance Authority that
126 provide the state shall pay actual debt service, comprised on principal,
127 interest and reasonable operating repair and replacement reserves to
128 the authority on mortgage loans made by the authority pursuant to the
129 provisions of section 17a-485c of the general statutes, as amended by
130 this act. Any such contract entered into pursuant to this section shall
131 include provisions that the Secretary of the Office of Policy and
132 Management and the State Treasurer find: (1) Necessary to assure the
133 effectuation of the Supportive Housing Initiative, (2) appropriate for
134 repayment of the state assistance to the state as a result of payment of
135 mortgage loans made by the authority from federal or other sources of
136 revenues, if any, and (3) in the best interests of the state to allow that
137 such state assistance be paid by the state directly to the trustee or
138 paying agent for any bonds or refunding bonds, as applicable, with
139 respect to which the state assistance is provided. Any provision of
140 such a contract entered into providing for payments equal to annual
141 debt service shall be deemed a contract of the state with the holders of
142 any bonds or refunding bonds, as applicable, and appropriation of all
143 amounts necessary to meet punctually the terms of such provision is
144 hereby made and the State Treasurer shall pay such amount as the
145 same become due. The Connecticut Housing Finance Authority may
146 pledge such state assistance as security for the payment of such bonds

147 or refunding bonds issued by said authority. Any bonds so issued for
148 the Supportive Housing Initiative by the Connecticut Housing Finance
149 Authority and at any time outstanding may at any time or from time to
150 time be refunded, in whole or in part, by the Connecticut Housing
151 Finance Authority by the issuance of its refunding bonds in such
152 amounts as the authority may deem necessary or appropriate but not
153 exceeding an amount sufficient to refund the principal amount of the
154 bonds to be so refunded, any unpaid interest thereon, and any
155 premiums, commissions and costs of issuance necessary to be paid in
156 connection therewith. Any such refunding may be effected whether
157 the bonds to be refunded shall have matured or shall thereafter
158 mature.

159 Sec. 3. Section 17b-812 of the general statutes is repealed and the
160 following is substituted in lieu thereof (*Effective July 1, 2005*):

161 (a) The Commissioner of Social Services shall implement and
162 administer a program of rental assistance for low-income families
163 living in privately-owned rental housing. For the purposes of this
164 section, a low-income family is one whose income does not exceed fifty
165 per cent of the median family income for the area of the state in which
166 such family lives, as determined by the commissioner.

167 (b) Housing eligible for participation in the program shall comply
168 with applicable state and local health, housing, building and safety
169 codes.

170 (c) In addition to an element in which rental assistance certificates
171 are made available to qualified tenants, to be used in eligible housing
172 which such tenants are able to locate, the program may include a
173 housing support element in which rental assistance for tenants is
174 linked to participation by the property owner in other municipal, state
175 or federal housing repair, rehabilitation or financing programs. The
176 commissioner shall use rental assistance under this section so as to
177 encourage the preservation of existing housing and the revitalization
178 of neighborhoods or the creation of additional rental housing.

179 (d) The commissioner may designate a portion of the rental
 180 assistance certificates available under the program for tenant-based
 181 and project-based supportive housing units. To the extent practicable
 182 rental assistance certificates issued for supportive housing shall adhere
 183 to the requirements of the federal Housing Choice Voucher program,
 184 42 USC 1437f(o), relative to calculating the tenant's share of the rent to
 185 be paid.

186 ~~[(d)]~~ (e) The commissioner shall administer the program under this
 187 section to promote housing choice for certificate holders and
 188 encourage racial and economic integration. The commissioner shall
 189 establish maximum rent levels for each municipality in a manner that
 190 promotes the use of the program in all municipalities. Any certificate
 191 issued pursuant to this section may be used for housing in any
 192 municipality in the state. The commissioner shall inform certificate
 193 holders that a certificate may be used in any municipality and, to the
 194 extent practicable, the commissioner shall assist certificate holders in
 195 finding housing in the municipality of their choice.

196 ~~[(e)]~~ (f) Nothing in this section shall give any person a right to
 197 continued receipt of rental assistance at any time that the program is
 198 not funded.

199 ~~[(f)]~~ (g) The commissioner shall adopt regulations in accordance
 200 with the provisions of chapter 54 to carry out the purposes of this
 201 section. The regulations shall establish maximum income eligibility
 202 guidelines for such rental assistance and criteria for determining the
 203 amount of rental assistance which shall be provided to eligible
 204 families.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2005	17a-485c
Sec. 2	July 1, 2005	New section
Sec. 3	July 1, 2005	17b-812

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]